



League of United Latin American Citizens

NATIONAL PRESIDENT
Roman Palomares

May 23, 2025

CHIEF EXECUTIVE OFFICER
Juan Proaño

NATIONAL OFFICERS
Domingo Garcia
Immediate Past President
Idalyd Granados
Youth President
Ana Coca
VP for Youth
Elida Martinez
VP for Young Adults
Ana Valenzuela
VP for Elderly
Lupe Torres
VP for Women
Jose Barrera
VP for Farwest
Rev. Emma Lozano
VP for Midwest
Ramery De Luna
VP for Northeast
Euler Torres
VP for Northwest
Mari Corugedo
VP for Southeast
Ray Mancera
VP for Southwest

The Honorable John Randolph Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Ellis Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

RE: Opposition to Section 112105 of H.R. 1 and Its Harmful Impact on Latino Immigrant Families

STATE DIRECTORS
Maria Duran
Arizona
Rey Hernandez
Arkansas
Jacob Sandoval
California
Sonny Subia
Colorado
Anny Cordero
Connecticut
Gilda Goldental-Stoecker
District of Columbia
Asia Clermont
Florida
Cecilia Garcia
Illinois
Daniel Salazar
Iowa
Madaf Rivera
Kansas
Grace Garcia
Massachusetts
Elsa Ramon Aranda
Nebraska
Malú Elizondo
Nevada
Suechet Rodriguez
New Jersey
Fred Baca
New Mexico
Sylvia Mata
New York
Alicia Pagan
Ohio
Cecilia Giron Mendoza
Oregon
Carlos Fajardo
Puerto Rico
Gabriel Rosales
Texas
Belia Paz
Utah
Christopher Concepcion
Virginia
Gabriel Portugal
Washington
Jaime Alvarado
Wisconsin
(v.27)

Dear Majority Leader Thune and Minority Leader Schumer,

On behalf of the League of United Latin American Citizens (LULAC), the oldest and largest Latino civil rights organization in the United States representing over 325,000 members across all 50 states and two U.S. territories, I write to express serious concerns regarding **Section 112105 of H.R. 1**, which was passed by the House of Representatives on May 22, 2025, and proposes the **imposition of a 5% levy on remittances** sent by certain segments of the population residing in the United States.

On its face, this may appear to be just another way to raise revenue. But for millions of Latino immigrant families, it translates to real, painful sacrifices—less food on the table, vital medications out of reach for aging parents, and children’s educational hopes put on hold. A significant share of these remittances comes from lawful permanent residents—green card holders—who already pay U.S. taxes like any other resident. Yet under this proposal, they would receive no exemption or refundable credit. Without such safeguards, this 5% levy would fall hardest on those least able to absorb it, inflicting disproportionate harm on Latino immigrant families who rely on these transfers to support loved ones abroad.

Even a modest excise tax such as this 5% levy would reduce the amount of financial support reaching loved ones abroad, amplifying economic hardship in communities that depend on these funds. Beyond the immediate financial impact,



League of United Latin American Citizens

the implications of such a tax raise serious legal, economic, and social concerns, including:

1. **Double Taxation:** Funds sent as remittances have already been subject to U.S. income tax. Taxing these amounts again based solely on their cross-border use erodes principles of tax fairness.
2. **Fiscal Discrimination Against Immigrants:** This tax creates a two-tier system, exempting U.S. citizens but targeting immigrants—including legal residents and visa holders—disproportionately penalizing immigrant communities and lawful financial behavior.
3. **Data Privacy and National Security Risks:** To enforce the tax, remittance providers would be required to collect sensitive personal data. That opens the door to misuse and abuse.
4. **Economic Harm to Essential Workers and Communities:** Remittances are essential for basic living expenses and not luxury transactions. Taxing these transfers burdens workers in vital sectors who support both U.S. and foreign economies.
5. **Undermining Family Unity and Economic Stability Abroad:** Remittances help keep families together and reduce pressures for irregular migration by supporting economic stability in countries of origin.
6. **Negative Impact on U.S. Economic Growth:** Reducing remittances will likely decrease immigrant consumer spending, adversely affecting local economies that depend on immigrant labor and consumption.
7. **Potential Erosion of the U.S. Dollar's Reserve Currency Status:** Implementing a remittance tax could accelerate the ongoing trend of de-dollarization. For instance, El Salvador, where remittances constitute approximately 25% of GDP, heavily relies on U.S. dollars for transactions. A 5% tax on remittances might prompt recipients to seek alternative currencies or informal transfer methods to avoid the tax, thereby reducing the demand for U.S. dollars. This shift could diminish the dollar's dominance in global trade and finance, leading to higher borrowing costs for the U.S. government and increased transaction expenses for American businesses involved in international commerce.

At its core, this provision strikes at a fundamental American value: that no one should be penalized for supporting their family. The proposed remittance tax doesn't just add a financial burden to people already doing their best to provide for loved ones — it effectively says that caring for your family is a taxable offense. This runs counter to the very spirit of our nation, which takes pride in valuing family unity and support.



League of United Latin American Citizens

On behalf of **LULAC's broad and deeply rooted Latino membership**—as well as the wider immigrant community—**we respectfully urge the Senate to take a close look at Section 112105 and reject it.** Any policy that taxes remittances contradicts the core principles of fairness, transparency, and constitutional integrity that we all hold dear.

Thank you for your thoughtful attention to this urgent matter.

Respectfully,

Roman Palomares

LULAC National President and Board Chairman

CC: The Honorable John Barrasso, Majority Whip
The Honorable Tom Cotton, Republican Conference Chair
The Honorable Shelley Moore Capito, Republican Policy Committee Chair
The Honorable Richard J. Durbin, Minority Whip
The Honorable Amy Klobuchar, Chair of Democrat Steering and Policy Committee